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TAGS: [PGOV](#) [ELAB](#) [PHUM](#) [SOCI](#) [ECON](#) [CH](#)
SUBJECT: SHANGHAI MAYOR ADDRESSES TAXI CONCERNS

REF: CPP20081103968217

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SHANGHAI, DEPARTMENT OF STATE.
REASON: 1.4 (b), (d)

Summary

1. (C) Shanghai Mayor Han Zheng met with taxi drivers and other public transportation representatives on November 18 to discuss upcoming reform plans. The mayor's meeting with taxi drivers comes on the heels of highly publicized work stoppages by taxi drivers in Chongqing and Hainan, and one contact said local officials are concerned about the implications of a possible taxi work stoppage for social stability in Shanghai. Meanwhile, taxi drivers have been grumbling privately about fuel shortages.
End Summary.

Shanghai Mayor Promoting Sector's Healthy Development

2. (U) According to local media reports, Shanghai Mayor Han Zheng met with local taxi drivers and representatives of public transport companies on November 18 to discuss a proposed transportation reform plan for which the Shanghai Municipal Government will begin soliciting public comments in December. The representatives of the transportation sector reportedly highlighted issues pertaining to income, work hours, public transportation policy, resource allocation, and non-licensed taxis during the meeting. According to the reports, Han reassured meeting participants that the municipal government aims to develop the transportation sector in a "healthy" way that balances workers' rights and interests with providing more convenient and satisfactory services to passengers.

Responding to Work Stoppages Elsewhere

3. (C) The meeting is not surprising given the context of taxi problems in other parts of the country, contacts said. Han's meeting with representatives of taxi companies most likely is a direct response to taxi work stoppages in Chongqing (reftel) and Hainan. Zhang Renren, a Shanghai-based businessman who is well connected politically, told Poloffs on November 17 that Shanghai's taxi drivers still face many problems, particularly exorbitant licensing fees. The municipal government is increasingly concerned about a possible taxi work stoppage and its implications for social stability, Zhang said. (Note: Mayor Han met with taxi drivers the day after our conversation with Zhang. End Note.)

Taxi Drivers Fuming

¶4. (C) Taxi drivers have been grumbling privately for several weeks about fuel shortages in the city. One driver told Poloff in early November that he couldn't find CNG anywhere. (Note: As in Chongqing (reftel), many Shanghai taxis use CNG. End Note.) As if to prove his point, the driver's taxi began running low on fuel during the drive and, stopping with Poloff at two different gas stations near Hongqiao Airport in western Shanghai, he was unable to find and buy CNG.

Comment

¶5. (C) Han's meeting with public transportation representatives and the municipal government's transportation reform plan was reported in the media in the context of improving public transportation prior to the 2010 World Expo, in particular expanding the city's subway system. We do not believe it is a coincidence, however, that Han met with taxi drivers on the heels of unrest in Chongqing and Hainan. Shanghai's residents remain heavily dependent on the city's taxis, and government leaders want to address taxi drivers' concerns to preclude any chance of a work stoppage here.

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